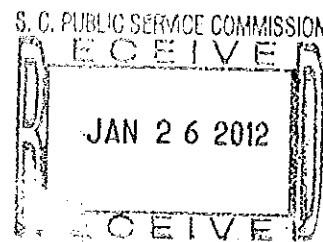


Docket No. 2011-329-C  
Subject: 26 S.C. Code Ann. Regs. 103-607 (Supp 2011)



234855

1/17/2012

To Whom It May Concern:

Per S.C. Code 103-803 (Waiver of Rules) Alternative Phone, Inc. (API) respectfully request a waiver of said rule 103-607, as this would be an extreme hardship for my small company with average annual sales of less than \$12,000.00. In addition it would be impossible to obtain a Bond as I only average about 50 active account holders in South Carolina through out the year and my gross sales for 2010 were \$10,116.00. If I am required to obtain said Bond, I will be forced to shut down my services to South Carolina residents after 14 years of providing quality phone service to low-income and credit challenged customers. As always my goal is to follow the rules set up by the states in which I operate. However this new regulation will simply put API out of business in South Carolina. I had hoped you would be willing to grant API a waiver based on the "Waiver of Rules" and I still look forward to your response to the Waiver Request I filed on 8/18/2011.

I have been informed of a meeting scheduled for 2/15/2012 to hear oral arguments from companies that do not have the means to put up the extremely large bond requested \$100,000. As stated my small company does not have the ability to put up a bond. I also cannot travel to South Carolina to attend the meeting without closing my office for a few days, which is not reasonable or fair to my customers. I also do not have the money to pay an attorney to represent me at this meeting. This letter will need to stand as my representation and my argument.

I provide service in six states and none of them require a deposit or bond of any kind. When I opened for business 14 years ago Georgia required me to have an escrow account with \$1000 in it to cover any potential customer I might activate. That account is still open but Georgia does not see API as a risk so the account now only has \$100 in it and I have about 100 active customers in that state.

If the PSC of South Carolina is going to deny my waiver request I ask that the PSC consider a more reasonable amount for a security deposit. My average customer in South Carolina pays \$19 per month plus tax, an average of about \$950 in collections each month. As of 12/31/2011 API has 52 active customers in South Carolina. I hope be able to handle putting enough money into a Certificate of Deposit to cover 2 month of service collections to cover our customers. The total amount would be \$1976, which is \$19 x 52. If I am required to provide anymore than this amount it will likely result in API needing to discontinue providing home phone service to low-income residents in South Carolina. I am sure the elimination of small businesses and/or competition for the ILEC is not the intention of the new rule but without granting waivers or reducing the requirements that will be the end result. This result will hurt my company and the low-income residents of South Carolina.

I hope you will see there is a need to approve my waiver request, if not then please allow me to put a reduced amount into a Certificate of Deposit and allow API to continue providing phone service to the low-income residents of South Carolina. I look forward to your response and if you have any questions or need additional information please contact me.

Sincerely,



Robert Hipke  
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